

~~TOP SECRET~~

Approved For Release 2002/06/11 : CIA-RDP79R00890A000200050003-7

CONFIDENTIAL

DOCUMENT NO. 14
NO CHANGE IN CLASS. 11
DECLASSIFIED
CLASS. CHANGED TO: 13 0/100
NEXT REVIEW DATE: 1-3-80
AUTH: HS 79-2
DATE: 1-3-80 REVIEWER: []

NSC BRIEFING

11 March 1954

IMPLICATION OF PROPOSED BRITISH REVISION
IN COCOM CONTROLS

I. The following are examples of the types of goods which would be exempted from COCOM controls if the "short embargo list" proposed by the British government is adopted to replace the present three-list controls system. Freedom to buy such items as these in the West would significantly enhance the capability of Soviet industry to support war.

A. Copper and Nickel - Inadequacy of present domestic production of these metals is indicated by continuing Soviet Orbit procurement of substantial amounts of electrolytic copper and nickel by paying premium prices in hard currency or gold for circuitous deliveries in evasion of present export controls.

B. Electronic equipment ~~Soviet Orbit technical competence in this field has lagged far behind that of the United States and the United Kingdom.~~ The proposed removal of

Approved For Release 2002/06/11 : CIA-RDP79R00890A000200050003-7

~~TOP SECRET~~

CONFIDENTIAL

~~TOP SECRET~~

~~CONFIDENTIAL~~

controls on certain highly technical types of this equipment would provide the USSR with prototypes which would aid in its effort to close the technological gap between the USSR and the West.

C. Industrial Machinery - Increased Soviet imports of a wide range of specialized industrial machinery and equipment including electric furnaces, motors, engines and some types of machine tools would permit the Soviet Orbit to concentrate more heavily on standard types which it can produce more efficiently, thus increasing the

D. Agricultural equipment.

This machinery has never been controlled by COCOM. It is, however, in great need owing principally to the new emphasis on food production.

major orders for power generating equipment in the West in spite of the present controls program point up its deficiencies, especially of large generating units. The additional demands being placed on the Soviet Union by

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~

Approved For Release 2002/06/11 : CIA-RDP79R00890A000200050003-7

China and North Korea for such items make this need more acute.

- f A. Cargo shipping - The limited size and the antiquity of the Orbit's merchant fleet would make this an area of vulnerability in case of war. An important part of the present movement of Orbit cargoes, even on voyages between Orbit countries, is carried in chartered Western ships.

~~CONFIDENTIAL~~

~~TOP SECRET~~

NSC BRIEFING

~~CONFIDENTIAL~~

March 1954

IMPLICATION OF PROPOSED BRITISH
REVISION IN COCOM CONTROLS

- I. Unrestricted procurement of items now under export control would enhance capability of Soviet industry to support war.
- II. Illustrations of types of goods to be removed from COCOM control.
 - A. Copper and nickel.
 1. Deficient Soviet production is indicated by continued circuitous procurement at premium prices.
 - B. Electronic equipment.
 1. This equipment would provide the USSR with important prototypes.

~~CONFIDENTIAL~~

~~TOP SECRET~~

~~TOP SECRET~~

Approved For Release 2002/06/11 : CIA-RDP79R00890A000200050003-7

C. Industrial machinery, including electric furnaces, motors, engines and certain machine tools.

1. Unrestricted import of these items would free the Soviet machine-building industry to concentrate on standard types which it can produce more efficiently.

D. Agricultural equipment.

1. This machinery has never been controlled by COCOM. It is, however, in great need owing principally to the new emphasis on food production.

~~TOP SECRET~~

E. Electric power equipment, including large generating units.

1. Domestic deficiencies are pointed up by Orbit's constant efforts to place major orders despite present controls.

F. Cargo Shipping.

1. Limited size and the antiquity of the Orbit's merchant fleet would be an important vulnerability in case of war.

- 3 ~~CONFIDENTIAL~~

~~TOP SECRET~~